

**SUBSTITUTE FOR
HOUSE BILL NO. 4144**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 117a (MCL 400.117a), as amended by 2018 PA 580.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 117a. (1) As used in this section and sections 117b to
2 117h:

3 (a) "County juvenile agency" means that term as defined in
4 section 2 of the county juvenile agency act, 1998 PA 518, MCL
5 45.622.

6 (b) "County juvenile agency services" means all juvenile
7 justice services for a juvenile who is within the court's
8 jurisdiction under section 2(a) or (d) of chapter XIIA of the
9 probate code of 1939, 1939 PA 288, MCL 712A.2, or within the



jurisdiction of the court of general jurisdiction under section 606 of the revised judicature act of 1961, 1961 PA 236, MCL 600.606, if that court commits the juvenile to a county or court juvenile facility under section 27a of chapter IV of the code of criminal procedure, 1927 PA 175, MCL 764.27a. If a juvenile who comes within the court's jurisdiction under section 2(a) or (d) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2, is at that time subject to a court order in connection with a proceeding for which the court acquired jurisdiction under section 2(b) or (c) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2, juvenile justice services provided to the juvenile before the court enters an order in the subsequent proceeding are not county juvenile agency services, except for juvenile justice services related to detention.

(c) "Donated funds" means any gifts of money made available to the county child care fund for services for child welfare or delinquency matters, including juvenile justice services.

(d) "Donor" means the entity, person, or persons providing the donated funds.

(e) "Gross expenditure" means the total adjusted expenditures included in a county's monthly expenditure report and submitted to the department.

(f) "In-home care" means expenditure of child care fund money for services and items listed in this section to be an alternative to out-of-home care or to provide an early return home for a child placed out of his or her home.

(g) "Juvenile detention facility" means a county-operated or court-operated juvenile facility that houses and provides group care, shelter care, or detention administered and staffed by county



1 or court employees.

2 (h) "Juvenile justice service" means a service, exclusive of
3 judicial functions, provided by a county for juveniles who are
4 within or likely to come within the court's jurisdiction under
5 section 2 of chapter XIIA of the probate code of 1939, 1939 PA 288,
6 MCL 712A.2, or within the jurisdiction of the court of general
7 criminal jurisdiction under section 606 of the revised judicature
8 act of 1961, 1961 PA 236, MCL 600.606, if that court commits the
9 juvenile to a county or court juvenile facility under section 27a
10 of chapter IV of the code of criminal procedure, 1927 PA 175, MCL
11 764.27a. A service includes intake, detention, detention
12 alternatives, probation, foster care, diagnostic evaluation and
13 treatment, shelter care, or any other service approved by the
14 office or county juvenile agency, as applicable, including
15 preventive, diversionary, or protective care services. A juvenile
16 justice service approved by the office or county juvenile agency
17 must meet all applicable state and local government licensing
18 standards.

19 (i) "Out-of-home care" means placement outside of the
20 residence of the child's parent, legal guardian, or, except as
21 provided in this subdivision, relative where the child is found,
22 from which the child was removed by the authority of the court, or
23 in which the child will be placed on a permanent basis.

24 (j) "Technology and software" means risk and needs assessment
25 software or software directly related to treatment or services
26 provided within a reimbursable in-home care program. Technology and
27 software does not include the purchase of new equipment or
28 hardware, or maintenance of equipment or hardware for the
29 reimbursable in-home care program. Technology and software also



1 does not include new equipment cost, maintenance of equipment,
2 technology, or software used exclusively for general support for
3 the court.

4 (2) A juvenile justice funding system for counties that are
5 not county juvenile agencies, including a child care fund, is
6 established and shall be administered under the department's
7 superintending control.

8 (3) The department shall promulgate rules under the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
10 24.328, to monitor juvenile justice services money and to prescribe
11 child care fund accounting, reporting, and authorization controls
12 and procedures and child care fund expenditure classifications. For
13 counties required to have a child care fund, the department shall
14 fund services that conform to the child care rules promulgated
15 under this act.

16 (4) The department shall distribute money appropriated by the
17 legislature to counties for the cost of juvenile justice services
18 as follows:

19 (a) Payment for expenditures for children placed with the
20 department for care, supervision, or placement, including children
21 who are within the court's jurisdiction under section 2(a) and (b)
22 of chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL
23 712A.2, shall be paid by the department and reimbursed by the
24 county for all undisputed charges. Implementation of this
25 subdivision takes effect on October 1 of the fiscal year following
26 the appropriation to support new payment processes and the
27 implementation of technological changes to the statewide automated
28 child welfare information system.

29 (b) Payment for expenditures for children not placed with the



1 department for care, supervision, or placement, including children
2 who are within the court's jurisdiction under section 2(a) and (b)
3 of chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL
4 712A.2, shall be paid by a county and be reimbursed by the
5 department for all undisputed charges. Expenditures described in
6 this subdivision include the following:

7 (i) Direct expenditures for out-of-home care, including all of
8 the following:

9 (A) Salaries of county- or court-operated detention center,
10 shelter care, or group care facility specific employees, including,
11 but not limited to, all of the following:

12 (I) Management staff of a facility.

13 (II) Direct service staff of a facility.

14 (III) Mental health staff of a facility.

15 (IV) Support staff including clerical staff of a facility.

16 (V) Janitorial, maintenance, or ground staff of a facility, or
17 any combination of these.

18 (VI) Kitchen staff of a facility.

19 (VII) Security staff of a facility.

20 (VIII) Circuit court employees who support the child care fund
21 county- or court-operated detention center, shelter care, or group
22 care facility.

23 (B) Fringe benefits, including payroll taxes, medical, vision
24 and dental insurance, group life insurance, disability insurance,
25 accident insurance, health savings accounts, retirement
26 contributions, worker's compensation, and accrued severance
27 benefits of county- or court-operated detention center, shelter
28 care, or group care facility specific employees and circuit court
29 administration who administrate and support the child care fund



1 county- or court-operated detention center, shelter care, or group
2 care facility.

3 (C) Clothing for children.

4 (D) Food for children.

5 (E) Meals furnished to staff who are on duty at a county- or
6 court-operated detention center, shelter care, or group care
7 facility and assigned responsibilities for the supervision and care
8 of the youth during facility mealtime.

9 (F) Hygiene supplies for children, including shampoo, soap, or
10 toothpaste.

11 (G) Education costs for children who are temporary residents
12 in a county- or court-operated detention center, shelter care, or
13 group care facility and for whom attendance in a public school
14 system or local education agency is not an option.

15 (H) Utilities of a county- or court-operated detention center,
16 shelter care, or group care facility, including water, gas,
17 electric, trash, and sewer.

18 (I) Janitorial supplies of a county- or court-operated
19 detention center, shelter care, or group care facility.

20 (J) Kitchen supplies of a county- or court-operated detention
21 center, shelter care, or group care facility.

22 (K) Laundry supplies or service of a county- or court-operated
23 detention center, shelter care, or group care facility.

24 (L) Linen supplies or service of a county- or court-operated
25 detention center, shelter care, or group care facility, including
26 towels and bedding.

27 (M) Office supplies that are dedicated solely to the county-
28 or court-operated detention center, shelter care, or group care
29 facility.



1 (N) Cellular telephones, landline telephones, and 2-way radios
2 used for communication that are dedicated solely to the county- or
3 court-operated detention center, shelter care, or group care
4 facility.

5 (O) Copy machine charges that are dedicated to the county- or
6 court-operated detention center, shelter care, or group care
7 facility.

8 (P) Mattress, box spring, or bed frame used in a county- or
9 court-operated detention center, shelter care, or group care
10 facility.

11 (Q) Medical, dental, psychological, and psychiatric services,
12 including medication, for children who are not covered by another
13 source which services are not to determine competency.

14 (R) Periodicals and books of a county- or court-operated
15 detention center, shelter care, or group care facility.

16 (S) Recreational supplies, programs, and television in a
17 county- or court-operated detention center, shelter care, or group
18 care facility.

19 (T) Training for child care fund-funded staff and in-service
20 education directly related to the out-of-home program, excluding
21 tuition grants or scholarships for college credit.

22 (U) Mileage reimbursement rate costs for transporting children
23 of a county- or court-operated detention center, shelter care, or
24 group care facility. Mileage reimbursement rates used must adhere
25 to the county or tribe published rates. Mileage reimbursement rates
26 cover all costs of operating a vehicle, including maintenance,
27 repairs, taxes, gas, insurance, and registration fees.

28 (V) Drug testing for children.

29 (W) Birth certificates for children.



1 (X) Incentives for youth.

2 (Y) Interpreter fees for nonjudicial processes.

3 (Z) Printing, binding, and postage for materials relating to
4 the education or correspondence relating to children in the county-
5 or court-operated detention center, shelter care, or group care
6 facility.

7 (AA) Membership dues or fees for professional credential
8 maintenance of staff who provide or support a service to children
9 under the child care fund, or professional staff for whom
10 professional licensure is required in their respective job
11 description.

12 (BB) Contracted personnel, programming, or services, or any
13 combination of these.

14 (CC) Nonscheduled payments.

15 (DD) New services that the department may agree with counties
16 and tribes to include that are not identified in this section that
17 support eligible children and families.

18 (ii) Administrative or indirect expenditures for out-of-home
19 care. An administrative or indirect cost payment equal to 10% of a
20 county's total monthly gross expenditures will automatically be
21 distributed to the county on a monthly basis. A county is not
22 required to submit documentation to the department for any of the
23 expenditures that are covered under the 10% payment.

24 (iii) Direct expenditures for in-home care, including the
25 following:

26 (A) Salaries of circuit court employees who support the child
27 care fund in-home care program.

28 (B) Fringe benefits, including payroll taxes, medical and
29 dental insurance, group life insurance, disability insurance,



1 accident insurance, health savings accounts, retirement
2 contributions, and accrued severance benefits of circuit court
3 employees who support the child care fund in-home care program. For
4 a county that receives the juvenile court officer grant and the
5 appointed juvenile court officer works within an approved program,
6 the proportional fringe benefits for the juvenile court officer may
7 be reimbursable.

8 (C) Mileage reimbursement rate costs associated with the child
9 care fund in-home care program. Mileage reimbursement rates used
10 must adhere to the county or tribe published rates. Mileage
11 reimbursement rates cover all costs of operating a vehicle,
12 including maintenance, repairs, taxes, gas, insurance, and
13 registration fees.

14 (D) Program supplies and materials, including, but not limited
15 to, all of the following:

16 (I) Program-specific supplies, including risk or needs
17 assessments, recognition plaques, and educational or program
18 licenses.

19 (II) Office supplies related to program activities and pro-
20 social activities.

21 (III) Food related to program activities and pro-social
22 activities.

23 (IV) Drug test kits.

24 (V) Tethers and other forms of electronic monitoring.

25 (E) Other costs, including all of the following:

26 (I) Cellular telephones and other safety tracking technology
27 for child care fund-funded staff.

28 (II) Training for child care fund-funded staff and in-service
29 education related to the in-home care component, excluding tuition



1 grants or scholarships for college credit.

2 (III) Education costs for children who are prohibited from
3 school attendance in a public school system or the local education
4 agency or have severe educational issues and have been court
5 ordered into a child care fund-funded educational program.

6 (IV) Printing, binding, or postage for materials relating to
7 the education or correspondence on behalf of children in the in-
8 home care program.

9 (V) Membership dues or fees - professional credential
10 maintenance of staff who provide or support a service to children
11 under the child care fund or professional staff for whom
12 professional licensure is required in their respective job
13 descriptions.

14 (VI) Business cards.

15 (F) Other program-specific activities costs, including
16 entrance fees for programs.

17 (G) Conference travel costs for other non-child-care-fund-
18 related training, including evidence-based and promising practices
19 training.

20 (H) Contracted personnel, programming, or services, or any
21 combination of these.

22 (I) Unit cost contracts, including all of the following:

23 (I) Contracted - drug testing - lab (per "drug test" basis).

24 (II) Contracted - counselor fees - (per "hour" basis).

25 (III) Contracted - group session dollar per session (per
26 "session" basis). Group roster documentation required.

27 (IV) Contracted - psychological evaluations, excluding
28 competency examinations - (per "evaluation" basis).

29 (V) Contracted - service providers (per "service" basis).



1 (J) Closed-end contracts. Closed-end contracts include, but
2 are not limited to, all of the following:

3 (I) University contracts, including "program evaluation".

4 (II) Private agency services contracts.

5 (III) Educational services contracts.

6 (IV) Court appointed special advocate (CASA) and wraparound
7 contracts.

8 (V) Other contracts identifiable to the program.

9 (K) Nonscheduled payments or case services payments. A
10 nonscheduled payment is a payment to an individual or organization
11 for items specified and defined in the child care fund handbook
12 that are not included in the state-established per diem rate. A
13 nonscheduled payment may include the following list:

14 (I) Emergency costs, including immediate food, clothing,
15 medical, or dental needs that are not covered by another source.

16 (II) Gymnasium or other pro-social activity requiring a
17 membership per child related to program activities.

18 (III) Rewards or incentive pay for youth related to program
19 activities.

20 (IV) Bus tokens or gas cards related to program activities.

21 (V) Mentor costs - meals, mileage, movies, or social costs
22 related to program activities.

23 (VI) Noncontracted service provider related to program
24 activities.

25 (VII) Noncontracted group session related to program
26 activities.

27 (VIII) Noncontracted psychological evaluations, excluding
28 competency examinations.

29 (IX) Family assessment or evaluations.



(X) Noncontracted counselor fees.

(XI) Noncontracted drug testing - labs.

(XII) Camps or field trips.

(XIII) Birth certificates for children.

(L) New services that the department may agree with counties and tribes to include that are not identified in this section that support eligible children and families.

(M) Technology and software.

(iv) Administrative or indirect expenditures for in-home care. An administrative or indirect cost payment equal to 10% of a county's total monthly gross expenditures will automatically be distributed to the county on a monthly basis. A county is not required to submit documentation to the department for any of the expenditures that are covered under the 10% payment.

(c) ~~The~~ **Until October 1, 2023, and except as provided in subdivision (j), the** county amount distributed shall equal 50% of the annual expenditures from the child care fund of the county established under section 117c, except that expenditures under section 117c(3) and expenditures that exceed the amount of a budget approved under section 117c shall not be included. A distribution under this subdivision shall not be made to a county that does not comply with the requirements of this act. Subject to a county's approval, the department may reduce the amount distributed to a county by the amount owed to the state for care received in a state operated facility or for care received under 1935 PA 220, MCL 400.201 to 400.214, or under the youth rehabilitation services act, 1974 PA 150, MCL 803.301 to 803.309.

(d) For a county that is a county juvenile agency, a county's block grant amount as determined under section 117g in equal



1 distributions on October 1, January 1, April 1, and July 1 of each
2 state fiscal year.

3 (e) Notwithstanding the provisions in subdivision (a), subject
4 to appropriations, the department shall pay 100% of the costs of
5 the \$9.20 increase to the administrative rate for providers of
6 foster care services provided in the annual appropriation for the
7 department budget. For the purposes of this subdivision only,
8 "foster care" means 24-hour substitute care for children placed
9 away from their parents or guardians, as a result of a court order
10 under section 2(b) of chapter XIIIA of the probate code of 1939,
11 1939 PA 288, MCL 712A.2, in placements supervised by the department
12 or a private child placing agency under contract with the
13 department for foster care services. Foster care services include
14 supervision of placements in foster family homes, foster family
15 group homes, and preadoptive placements.

16 (f) Notwithstanding the provisions of subdivision (c), the
17 department shall pay 100% of the administrative rate that is in
18 effect on September 26, 2018 for providers of treatment foster care
19 services and foster care services provided in the annual
20 appropriation for the department budget. For the purposes of this
21 subdivision only, "foster care" means 24-hour substitute care for
22 children placed away from their parents or guardians, as a result
23 of a court order under section 2(b) of chapter XIIIA of the probate
24 code of 1939, 1939 PA 288, MCL 712A.2, in placements supervised by
25 the department or a private child placing agency under contract
26 with the department for foster care services. Foster care services
27 include supervision of placements in foster family homes, foster
28 family group homes, treatment foster care, preadoptive placements,
29 and supervision of children reunified with the parent with whom the



1 child lived at the time of removal.

2 (g) Notwithstanding the provisions in subdivision (c), the
3 department shall pay 100% of the costs of any rate increase that is
4 in effect on September 26, 2018 to the providers of residential
5 foster care services under contract with the department, as
6 provided in the annual appropriation for the department budget.

7 (h) Notwithstanding the provisions in subdivision (c) and
8 subject to appropriations, the department shall implement a
9 prospective payment system as part of a state-administered
10 performance-based child welfare system in a county with a
11 population of not less than 575,000 or more than 750,000, for
12 foster care case management in accordance with section 503 of
13 article X of 2014 PA 252. The county is only required to contribute
14 to foster care services payments in an amount that does not exceed
15 the average of the annual net contribution made by the county for
16 cases received under section 2(b) of chapter XIIIA of the probate
17 code of 1939, 1939 PA 288, MCL 712A.2, in the 5 previous fiscal
18 years before October 1, 2015. The prospective payment system as
19 part of the state-administered performance-based child welfare
20 system shall be implemented as described in this subdivision but
21 shall not include in-home care service funding.

22 (i) Subdivision (h) only impacts child abuse and child neglect
23 services and not juvenile justice program funding.

24 (j) **Beginning October 1, 2021, the state shall pay 100% of the**
25 **cost to provide juvenile justice services when a court exercises**
26 **jurisdiction over a juvenile who is 17 years of age, but under the**
27 **age of 18 at the time of the offense. The costs must include all**
28 **expenditures under subdivision (b) until jurisdiction is**
29 **terminated, for youth under section 2(a) and (d) of chapter XIIIA of**



1 the probate code of 1939, 1939 PA 288, MCL 712A.2. There shall be
2 no change in funding provided for juveniles who are under 17 years
3 of age at the time of the offense.

4 (5) Beginning October 1, 2023, the percentage rate of
5 reimbursement for all juveniles must be equal to the sum of both of
6 the following:

7 (a) The reimbursement established under subsection (4)(c) for
8 juveniles under 17 years of age at the time of the offense.

9 (b) The average cost equal to 100% of the total expenditures
10 for 17-year-olds under this section for the fiscal years 2021 and
11 2022, and then established as a percentage spread over the average
12 of all eligible juveniles during the fiscal years 2021 and 2022.

13 (6) For fiscal years 2021 and 2022, in addition to any other
14 audits or reviews required by state law or rule, the department
15 shall perform a fiscal and programmatic review of all monthly
16 reimbursements to counties to validate the expenditures for
17 providing juvenile justice services to juveniles who are placed
18 under the court's jurisdiction at 17 years of age, but under age 18
19 at the time of the offense, to ensure compliance with the child
20 care fund reimbursement program. The department shall provide
21 quarterly reports to the legislature and the state court
22 administrative office regarding reimbursement requests related to
23 juveniles who were 17 years of age at the time of the offense and
24 for reimbursement requests for juveniles who were under 17 years of
25 age at the time of the offense. The quarterly reports shall
26 include, but are not limited to, an assessment of whether the
27 county child care fund program recorded and reported direct
28 expenditures and revenues related to juveniles 17 years of age that
29 were accurate, allowable, or appropriate according to state laws,



1 rules, and department policy, and a comparison of expenditures and
2 revenues between juveniles 17 years of age and juveniles under 17
3 years of age.

4 (7) ~~(5)~~—The purposes for which funding under this section
5 shall be distributed as provided under subsection (4) may be
6 allowed unless otherwise accessible and available by other public
7 assistance programs necessary to achieve the goals and outcomes for
8 in-home care or out-of-home care. Reimbursement shall not be made
9 for costs associated with an otherwise eligible child or family, or
10 both, if the reason for the unavailability of public assistance is
11 due to intentional program violations and disqualification of any
12 public assistance.

13 (8) ~~(6)~~—All service providers shall submit a request for
14 payment within 1 calendar year of the date of service. A request
15 for payment submitted after 1 calendar year from the date of
16 service requires the provider to submit an exception request to the
17 county or the department for approval or denial.

18 (9) ~~(7)~~—The county or the department is not subject to an
19 offset, chargeback, or reimbursement liability when a child care
20 fund cost is approved by the county or the department for payment
21 after 1 year from the date of service.

22 (10) ~~(8)~~—The county is not subject to an offset, chargeback,
23 or reimbursement liability for prior expenditures resulting from an
24 error in foster care fund source determinations.

25 (11) ~~(9)~~—The department is liable for the costs of all
26 juvenile justice services in a county that is a county juvenile
27 agency other than county juvenile agency services.

28 (12) ~~(10)~~—The department shall establish guidelines for the
29 development of county juvenile justice service plans in counties



1 that are not county juvenile agencies.

2 (13) ~~(11)~~—A county that is not a county juvenile agency and
3 receives state funds for in-home or out-of-home care of children
4 shall submit reports to the department at least quarterly or as the
5 department otherwise requires. The reports shall be submitted on
6 forms provided by the executive director and shall include the
7 number of children receiving foster care services and the number of
8 days of care provided.

9 (14) ~~(12)~~—The department shall maintain a reporting system
10 providing that reimbursement under subsection (4)(c) shall be made
11 only on submission of billings based on care given to a specific,
12 individual child.

13 Enacting section 1. This amendatory act takes effect October
14 1, 2021.